

ETHYLENE AND THE CANADIAN ECONOMY

File

DOW CHEMICAL OF CANADA, LIMITED



WORLD PETROCHEMICAL INDUSTRY

(ETHYLENE BASED)

Problems

- 1) TECHNOLOGICAL CHANGE — QUANTUM JUMPS IN THE ECONOMIC SIZE OF PLANTS.**
- 2) UNCERTAINTY OVER MOST ECONOMIC SOURCE OF HYDROCARBON FEEDSTOCKS.**

WORLD PETROCHEMICAL INDUSTRY

(ETHYLENE BASED)

Results

- 1) OVERCAPACITY FOR MANY ETHYLENE DERIVATIVES AND FEED-STOCKS.**
- 2) SERIOUS DECLINE IN PROFITABILITY.**
- 3) DECLINE IN INVESTMENT IN BOTH ETHYLENE DERIVATIVES AND FEEDSTOCKS RELATIVE TO MARKET GROWTH.**
- 4) A GROWING SHORTAGE OF ETHYLENE DERIVATIVES.**

CANADIAN PETROCHEMICAL INDUSTRY

(ETHYLENE BASED)

Problems

- 1) TECHNOLOGICAL CHANGE — SIZE OF WORLD SCALE PLANTS.**
- 2) LACK OF SIZE OF CANADIAN MARKET.**
- 3) EASY ACCESS OF WORLD SURPLUS ETHYLENE DERIVATIVES TO CANADIAN MARKET.**
- 4) DIFFICULT, IF NOT IMPOSSIBLE, ACCESS OF CANADIAN ETHYLENE DERIVATIVES TO WORLD MARKETS (TARIFF BARRIER).**
- 5) UNCERTAINTY OVER MOST ECONOMIC SOURCE OF HYDROCARBON FEEDSTOCK.**

CANADIAN PETROCHEMICAL INDUSTRY

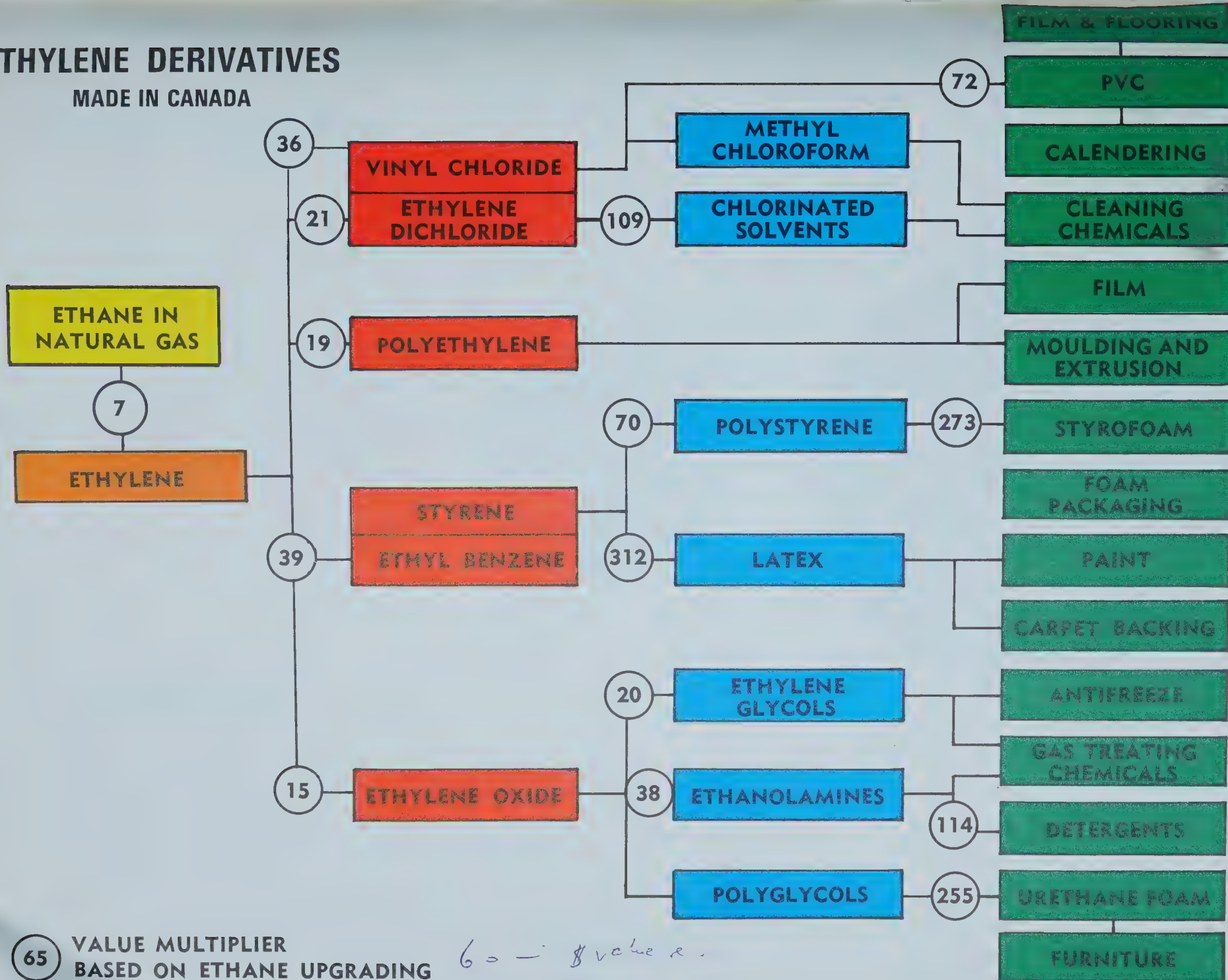
(ETHYLENE BASED)

Results

- 1) MORE SERIOUS DECLINE IN PROFITABILITY.**
- 2) DIFFICULTY, FROM MARKET SIZE, IN JUSTIFYING WORLD SCALE PLANTS.**
- 3) MORE SERIOUS DECLINE IN INVESTMENT IN ETHYLENE DERIVATIVE & FEEDSTOCK PLANTS.**
- 4) ALREADY SHORTAGES OF ETHYLENE DERIVATIVES IN CANADA—WILL STEADILY GROW MORE SERIOUS DUE TO LACK OF FEEDSTOCKS.**
- 5) RAPID INCREASE IN BALANCE OF PAYMENT PROBLEM FOR CANADA PLUS LOSS TO CANADIAN ECONOMY OF JOBS AND TAXES.**

ETHYLENE DERIVATIVES

MADE IN CANADA



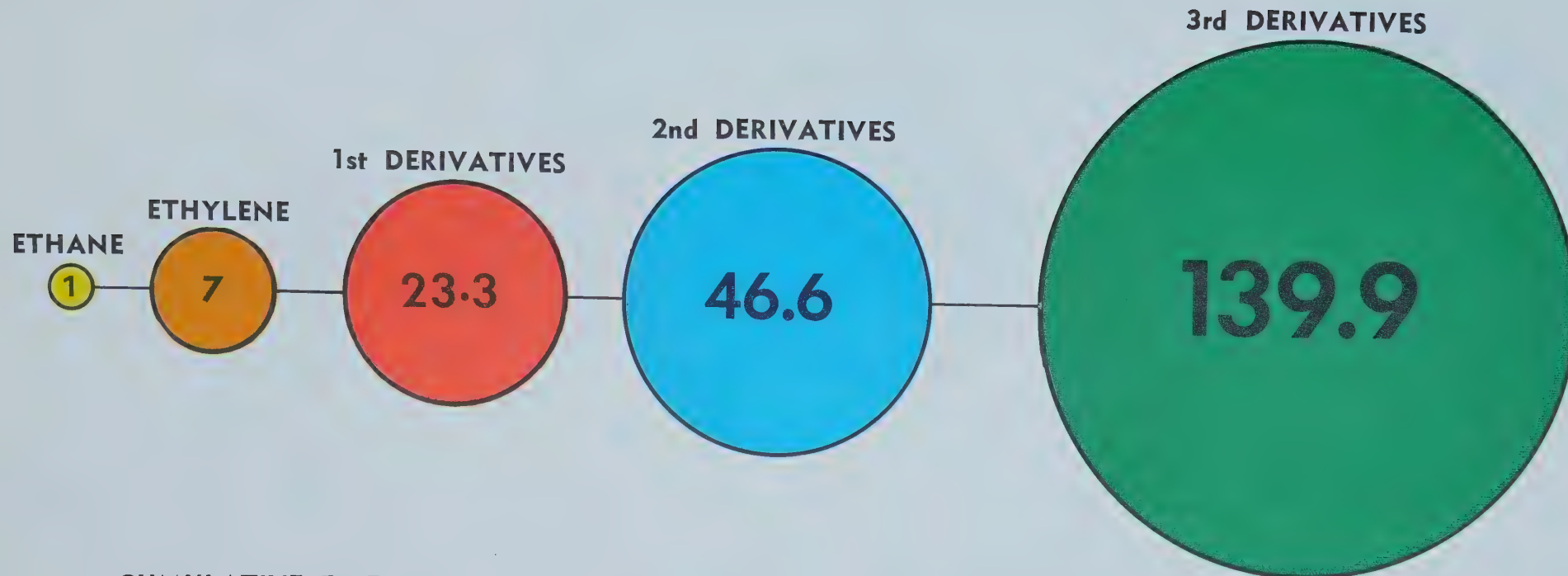
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VALUE MULTIPLIER
BASED ON ETHANE UPGRADING

60 - value x.
amount ethane 6 contain.

ETHYLENE DERIVATIVES

MADE IN CANADA



CUMULATIVE EFFECT
OF MULTIPLIERS

ETHYLENE DERIVATIVES

MADE IN CANADA

